

Mr. Speaker, I rise to speak against HR 2560, the Cut, Cap, and Balance Act. This bill only serves to sanction the status quo by putting forth a \$1 trillion budget deficit and authorizing a \$2.4 trillion increase in the debt limit.

When I say this bill sanctions the status quo, I mean it quite literally.

First, it purports to eventually balance the budget without cutting military spending, Social Security, or Medicare. This is impossible. These three budget items already cost nearly \$1 trillion apiece annually. This means we can cut every other area of federal spending to zero and still have a \$3 trillion budget. Since annual federal tax revenues almost certainly will not exceed \$2.5 trillion for several years, this Act cannot balance the budget under any plausible scenario.

Second, it further entrenches the ludicrous beltway concept of discretionary vs. nondiscretionary spending. America faces a fiscal crisis, and we must seize the opportunity once and for all to slay Washington's sacred cows-- including defense contractors and entitlements. All spending must be deemed discretionary and reexamined by Congress each year. To allow otherwise is pure cowardice.

Third, the Act applies the nonsensical narrative about a "Global War on Terror" to justify exceptions to its spending caps. Since this war is undeclared, has no definite enemies, no clear objectives, and no metric to determine victory, it is by definition endless. Congress will never balance the budget until we reject the concept of endless wars.

Finally, and most egregiously, this Act ignores the real issue: total spending by government. As Milton Friedman famously argued, what we really need is a constitutional amendment to limit taxes and spending, not simply to balance the budget. What we need is a dramatically smaller federal government; if we achieve this a balanced budget will take care of itself.

We do need to cut spending, and by a significant amount. Going back to 2008 levels of spending is not enough. We need to cut back at least to where spending was a decade ago. A recent news article stated that we pay 35 percent more for our military today than we did 10

years ago, for the exact same capabilities. The same could be said for the rest of the government. Why has our budget doubled in 10 years? This country doesn't have double the population, or double the land area, or double anything that would require the federal government to grow by such an obscene amount.

We need to cap spending, and then continue decreasing that cap so that the federal government grows smaller and smaller. Allowing government to spend up to a certain percentage of GDP is insufficient. It doesn't matter that the recent historical average of government outlays is 18 percent of GDP, because in recent history the government has way overstepped its constitutional mandates. All we need to know about spending caps is that they need to decrease year after year.

We need to balance the budget, but a balanced budget amendment by itself will not do the trick. A \$4 trillion balanced budget is most certainly worse than a \$2 trillion unbalanced budget. Again, we should focus on the total size of the budget more than outlays vs. revenues.

What we have been asked to do here is support a budget that only cuts relative to the President's proposed budget. It still maintains a \$1 trillion budget deficit for FY 2012, and spends even more money over the next 10 years than the Paul Ryan budget which already passed the House.

By capping spending at a certain constant percentage of GDP, it allows for federal spending to continue to grow. Tying spending to GDP creates an incentive to manipulate the GDP figure, especially since the bill delegates the calculation of this figure to the Office of Management and Budget, an agency which is responsible to the President and not to Congress. In the worst case, it would even reward further inflation of the money supply, as increases in nominal GDP through pure inflation would allow for larger federal budgets.

Finally, this bill authorizes a \$2.4 trillion rise in the debt limit. I have never voted for a debt ceiling increase and I never will. Increasing the debt ceiling is an endorsement of business as usual in Washington. It delays the inevitable, the day that one day will come when we cannot continue to run up enormous deficits and will be forced to pay our bills.

In conclusion, Mr. Speaker, while I sympathize with the aims of this bill's sponsors, I must vote

against HR 2560. It is my hope, however, that the looming debt ceiling deadline and the discussion surrounding the budget will further motivate us to consider legislation in the near future that will make meaningful cuts and long-lasting reforms.